

# **WEBER FIRE DISTRICT**



## **Financial Statements**

**Year Ended  
December 31, 2005**

# WEBER FIRE DISTRICT

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Steven F. Crane, CPA  
Kent R. Christensen, CPA  
Jeffrey L. Ambrose, CPA  
Chuck Palmer, CPA

Independent Auditors' Report

Board of Directors  
Weber Fire District  
Ogden, Utah

We have audited the accompanying financial statements of the governmental activities and each major fund of Weber Fire District, as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2006 on our consideration of Weber Fire District's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The budget comparison schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Weber Fire District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Crane, Christensen + Ambrose*

June 16, 2006

**WEBER FIRE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
Year Ended December 31, 2005

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**INTRODUCTION**

The following is a discussion and analysis of Weber Fire District's financial performance and activities for the year ended December 31, 2005. Please read it in conjunction with the financial statements that follow. In 2004, the District implemented new reporting standards established by the Governmental Accounting Standards Board. These new standards significantly changed the content and structure of the financial statements.

**HIGHLIGHTS**

**Government-wide**

- The District's total net assets increased \$382,354 or 12.8 percent over the prior year.

**Fund Level**

- Fund balances in the District's governmental funds increased \$86,532 or 5.7 percent from the prior year.
- Total revenues were 6.4 percent higher than the prior year due to a 2.5 percent increase in property taxes and a substantial increase in Homeland Security Grants.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is an introduction to the District's Basic Financial Statements. The Basic Financial Statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the Basic Financial Statements, this report also contains other supplementary information concerning budgetary comparisons.

**Government-wide Statements - Reporting the District as a Whole**

The Statement of Net Assets and the Statement of Activities comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the District's finances as a whole and are prepared using the full-accrual basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level.

The government-wide statements report the District's net assets - the difference between total assets and total liabilities - and how they have changed from the prior year. Over time, increases and decreases in net assets measure whether the District's overall financial condition is getting better or worse. In evaluating the government's overall condition, however additional non-financial factors should be considered such as the District's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

The government-wide statements distinguish the programs of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). Weber Fire District's governmental activities include fire administration and fire operations.

**WEBER FIRE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
Year Ended December 31, 2005

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**Fund Financial Statements - Reporting the Fire District's Most Significant Funds**

The fund financial statements provide detailed information about individual major funds, and not the District as a whole. A fund is a group of related accounts that the District uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity.

The District's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This short-term view of the District's financial position helps determine whether the District has sufficient resources to cover expenditures for its basic services in the near future.

**Reconciliation Between Government-wide and Fund Statements**

The financial statements include schedules that reconcile the amounts reported for governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). Following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Long-term debt proceeds result in liabilities on the government-wide statements but are other financing sources on the governmental fund statements.

**Notes to the Financial Statements**

The notes provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

**Required Supplementary Information**

Weber Fire District adopts an annual budget for all of its governmental funds. A budgetary comparison schedule for the District's General fund is included.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Assets**

The largest component of the District's net assets, 57.2 percent, reflects investments in capital assets (land, buildings, and equipment) less all outstanding debt that was issued to buy or build those assets. As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

Restricted net assets comprise 9.3 percent of total net assets and are subject to external restrictions on how they may be used.

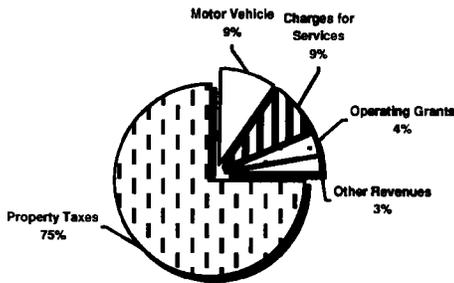
The remaining 33.5 percent of net assets is unrestricted and may be used at the District's discretion to meet its ongoing obligations to citizens and creditors.

**WEBER FIRE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
Year Ended December 31, 2005

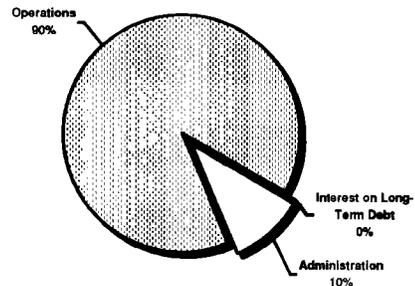
**Weber Fire District**  
**Net Assets**  
**December 31, 2005**

	<b>Governmental Activities</b>	
	<b>2005</b>	<b>2004</b>
Current and Other Assets	\$ 1,747,988	\$ 1,645,920
Capital Assets	2,013,271	1,764,414
<b>Total Assets</b>	<b>3,761,259</b>	<b>3,410,334</b>
Current and Other Liabilities	154,733	139,197
Long-term Liabilities	228,975	275,941
<b>Total Liabilities</b>	<b>383,708</b>	<b>415,138</b>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	1,932,871	1,618,438
Restricted Net Assets	313,371	475,172
Unrestricted	1,131,309	901,586
<b>Total Net</b>	<b>\$ 3,377,551</b>	<b>\$ 2,995,196</b>
Percentage change from prior year	12.8%	
16.3%		

**Weber Fire District**  
**Total Revenues - 2005**



**Weber Fire District**  
**Total Expenses - 2005**



**Governmental Activities**

Total tax revenues showed an increase of 2.5 percent during 2005.

**WEBER FIRE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
Year Ended December 31, 2005

**Weber Fire District**  
**Changes in Net Assets**  
**For the Year Ended December 31, 2005**

	Governmental Activities		Total Percentage Change 2004-2005
	2005	2004	
<b>Revenues</b>			
General Revenues:			
Taxes	\$ 3,086,467	\$ 3,009,894	2.5%
Other General Revenues/(Expenses)	106,319	73,961	43.8%
Program Revenues:			
Charges for Services	326,037	331,416	-1.6%
Operating Grants	129,804	15,070	761.3%
Capital Grants	----	----	
<b>Total Revenues</b>	<u>3,648,627</u>	<u>3,430,341</u>	<u>6.4%</u>
<b>Expenses</b>			
Administration	331,295	401,297	-17.4%
Operations	2,927,713	2,550,515	14.8%
Interest on Long-Term Debt	7,265	58,461	-87.6%
<b>Total Expenses</b>	<u>3,266,273</u>	<u>3,010,273</u>	<u>8.5%</u>
<b>Change in Net Assets</b>	382,354	420,068	-9.0%
Net Assets - Beginning	2,995,197	2,575,129	16.3%
<b>Net Assets - Ending</b>	<u>\$ 3,377,551</u>	<u>\$ 2,995,197</u>	<u>12.8%</u>

**WEBER FIRE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
Year Ended December 31, 2005

The table below shows to what extent the District's governmental activities relied on taxes and other general revenue to cover all of their costs. For 2005, these programs generated \$455,841 or 14.0 percent of their total expenses through charges for services and grants. Taxes and other general revenues covered the remaining 86.0 percent of expenses.

**Weber Fire District**  
**Net Cost of Government Activities**  
**For the Year Ended December 31, 2005**

	Total Program Expenses		Total Program Revenues		Net Program Costs		Program Revenues as a Percentage of Total Expenses	
	2005		2005		2005		2004	
	2005	2005	2005	2005	2005	2004	2005	2004
<b>Activities:</b>	\$	\$	\$	\$	\$	\$	\$	\$
Administration	331,295	-	331,295	401,297	-	-	-	-
Operations	2,927,713	455,841	2,471,872	2,204,029	15.6%	13.6%		
Interest on Long-Term Debt	7,265	-	7,265	58,461	-	-		
<b>Total Government Activities</b>	<b>\$ 3,266,272</b>	<b>\$ 455,841</b>	<b>\$ 2,810,432</b>	<b>\$ 2,663,787</b>	<b>\$ 14.0%</b>	<b>\$ 11.5%</b>		

**CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION**

**Capital Assets**

Weber Fire District added \$452,286 in new capital assets during 2005, of which \$246,152 was for land to be used for new stations, and \$206,134 was for equipment purchases. The District also disposed of \$25,000 in equipment.

More information about capital assets is included in Note 3.

**Long-term Debt**

The District currently finances two fire trucks through capital lease obligations. Compensated absences include unused vacation earned by employees.

**Weber Fire District**  
**Long-term Liabilities**  
**December 31, 2005**

	Governmental Activities
Capital Leases	\$ 80,400
General Obligation Bonds	----
Compensated Absences	148,575
<b>Total</b>	<b>\$ 228,975</b>

**WEBER FIRE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
Year Ended December 31, 2005

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**Fund Balances**

At December 31, 2005 Weber Fire District's governmental funds reported combined fund balances of \$1,593,255. Of this amount, \$313,371 or 19.7 percent is reserved for capital projects, through impact fees and is therefore unavailable for future spending. The remaining \$1,279,884 or 80.3 percent is available for new spending. The following chart presents the District's 2005 ending fund balances.

**Weber Fire District**  
**Governmental Fund Balances**  
December 31, 2005

	General Fund	Debt Service	Capital Projects	Total
Reserved	\$ ----	\$ ----	\$ 313,371	\$ 313,371
Unreserved/Undesignated	1,279,884	---	---	1,279,884
<b>Total</b>	<b>\$ 1,279,884</b>	<b>\$ ----</b>	<b>\$ 313,371</b>	<b>\$ 1,593,255</b>
Percent Change from prior year	24.1%	(100.0)%	(34.1)%	5.7%

**General Fund**

During 2005, the fund balance in the General Fund increased \$248,333 or 24.1 percent due primarily to increased property taxes and motor vehicle fees. Total revenues increased \$374,128 or 12.2 percent due primarily to the previously mentioned taxes as well as \$114,734 in Homeland Security Grant funds.

Total General Fund expenditures increased \$299,021 or 10.3 percent due to a moderate increase in salaries and benefits as well as equipment purchased through the Homeland Security Grant.

**General Fund Budgetary Highlights**

Weber Fire District prepares its budget according to state statutes. The most significant budgeted fund is the General Fund. The District amended the General Fund budget several times during the year to meet the needs of the programs as issues arose. The most significant change to the original adopted budget was a \$107,000 reduction in grant revenue and the related cost due to the anticipated grant not being awarded.

Actual General Fund revenues were \$3,453,015 or 6.5 percent above the original budget and 9.2 percent above the final budget. Actual expenditures were \$36,452 or 1.1 percent below and \$45,548 or 1.4 percent above the original and final budgets, respectively. The District was not required to draw upon existing fund balance in the General Fund this year to cover its expenditures.

**Capital Projects Fund**

Fund balance in the Capital Projects Fund decreased \$161,801 which was due to acquisition of land and equipment to expand fire station operations.

**Debt Service Fund**

Debt Service fund balance was transferred to the General Fund. The District had previously retired the balance of general obligation bonds.

**WEBER FIRE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
Year Ended December 31, 2005

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**OTHER MATTERS**

The District has purchased two additional pieces of property to facilitate future expansion of fire operations. The District also anticipates construction of a new Fire District administration office and station later this year. Bonds were approved by voters to finance these capital improvements. Tax anticipation notes were issued in January 2006 in the amount of \$1,600,000, to meet operating needs prior to collection of taxes.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Weber Fire District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information in this report or any other matters related to the District's finances should be addressed to the Weber Fire District, 1871 North 1350 West, Ogden, Utah 84404.

**WEBER FIRE DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

		<b>Governmental Activities</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$	1,210,522
Intergovernmental receivables		219,656
Receivables (net of allowance for uncollectibles):		
Accounts		3,040
Restricted assets:		
Cash		314,770
Capital Assets:		
Land		563,725
Buildings		1,136,593
Improvements		283,741
Equipment		77,720
Vehicles		1,932,767
Less: Accumulated depreciation		(1,981,275)
Total Capital Assets		2,013,271
<b>TOTAL ASSETS</b>		<b>3,761,259</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable		153,816
Accrued liabilities		917
Total current liabilities		154,733
<b>LONG-TERM LIABILITIES</b>		
Long-term liabilities-Due within one year		25,541
Long-term liabilities-Due in more than one year		203,434
Total long-term liabilities		228,975
<b>TOTAL LIABILITIES</b>		<b>383,708</b>
<b>EQUITY</b>		
Investment in general capital assets net of related debt		1,932,871
Restricted Net Assets		313,371
Unrestricted Net Assets		1,131,309
<b>TOTAL NET ASSETS</b>	\$	<b>3,377,551</b>

The notes to the financial statements are an integral part of this statement.

**WEBER FIRE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

Function/Programs Primary government:	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Administration	\$ 331,295	\$ -	\$ -	\$ (331,295)	\$ -	\$ (331,295)
Operations	2,927,713	129,804	-	(2,471,872)	-	(2,471,872)
Interest on long-term debt	7,265	-	-	(7,265)	-	(7,265)
Total governmental activities	3,266,273	129,804	-	(2,810,432)	-	(2,810,432)
Total primary government	\$ 3,266,273	\$ 129,804	\$ -	\$ (2,810,432)	\$ -	\$ (2,810,432)
General revenues:						
Taxes and special assessments:						
Property				2,748,207	-	2,748,207
Motor vehicle				338,260	-	338,260
Unrestricted investment earnings				66,610	-	66,610
Miscellaneous				35,709	-	35,709
Gain (loss) on disposal of capital assets				4,000	-	4,000
Transfers				-	-	-
Total general revenues				3,192,786	-	3,192,786
Change in net assets				382,354	-	382,354
Net assets - beginning				2,995,197	-	2,995,197
Net assets - ending				\$ 3,377,551	\$ -	\$ 3,377,551

The notes to the financial statements are an integral part of this statement.

**WEBER FIRE DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>MAJOR FUNDS</u>			<u>TOTALS</u>
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>2005</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,209,508	\$ 1,015	-	\$ 1,210,522
Intergovernmental receivables	219,657		-	219,657
Receivables (net of allowance for uncollectibles):				
Accounts	3,038	-	-	3,038
Due from other funds	1,399	6,149	-	7,549
Restricted assets:				
Cash	-	-	314,770	314,770
<b>Total assets</b>	<u>1,433,602</u>	<u>7,164</u>	<u>314,770</u>	<u>1,755,536</u>
<b>LIABILITIES</b>				
Accounts payable	146,652	7,164	-	153,816
Accrued liabilities	917	-	-	917
Due to other funds	6,149	-	1,399	7,548
<b>Total liabilities</b>	<u>153,718</u>	<u>7,164</u>	<u>1,399</u>	<u>162,281</u>
<b>EQUITY</b>				
Fund Balance:				
Reserved for Capital Projects	-	-	313,371	313,371
Unreserved fund balance	1,279,884	-	-	1,279,884
<b>Total fund balance</b>	<u>1,279,884</u>	<u>-</u>	<u>313,371</u>	<u>1,593,255</u>
<b>Total liabilities &amp; fund balance</b>	<u>\$ 1,433,602</u>	<u>\$ 7,164</u>	<u>\$ 314,770</u>	<u>\$ 1,755,536</u>

The notes to the financial statements are an integral part of this statement.

**WEBER FIRE DISTRICT**  
**Reconciliation of the Balance Sheet-Governmental**  
**Funds To the Statement of Net Assets**  
**For the Year Ended December 31, 2005**

<b>Total Fund Balances - Governmental Funds.....</b>	<b>\$ 1,593,255</b>
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets in governmental activities are not financial resources and therefore are not reported in governmental funds, but they are reported in the Statement of Net Assets. Capital assets consist of the following:

Land.....	\$ 563,725	
Buildings and improvements.....	1,420,334	
Vehicle and equipment .....	2,010,487	
Accumulated depreciation.....	(1,981,275)	
	2,013,271	2,013,271

Some liabilities are not due and payable in the current year and therefore are not reported in governmental funds, but they are reported in the Statement of Net Assets. These liabilities consist of the following:

Capital leases.....	(80,400)	
Compensated absences.....	(148,575)	
	(228,975)	(228,975)

<b>Net Assets of Governmental Activities.....</b>	<b>\$ 3,377,551</b>
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The notes to the financial statements are an integral part of this statement.

**WEBER FIRE DISTRICT  
STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>MAJOR FUNDS</u>			<u>TOTALS</u>
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>2005</u>
<b>REVENUES:</b>				
Taxes	\$ 3,079,775	\$ 6,693	\$ -	\$ 3,086,468
Fees-Wildland	142,313	-	-	142,313
Fees-other	7,172	-	-	7,172
Fees-impact	-	-	176,552	176,552
Grants	129,804	-	-	129,804
Interest	54,242	23	12,345	66,610
Other income	35,709	-	-	35,709
Sale of fixed assets	4,000	-	-	4,000
<b>Total revenues</b>	<u>3,453,015</u>	<u>6,716</u>	<u>188,897</u>	<u>3,648,628</u>
<b>EXPENDITURES:</b>				
Salaries and wages	1,970,799	-	-	1,970,799
Employee benefits	458,014	-	-	458,014
Training and travel	16,730	-	-	16,730
Office expense	20,068	-	-	20,068
Equipment maintenance	72,617	-	-	72,617
Buildings and grounds	79,712	-	-	79,712
Special supplies	26,257	-	-	26,257
Wildland fire	11,773	-	-	11,773
Insurance	65,080	-	-	65,080
Board fees and expenses	11,095	-	-	11,095
Fuel	37,988	-	-	37,988
Professional fees	26,364	-	-	26,364
Dispatch and radio	69,011	-	-	69,011
Safety, fire prevention and hazmat	37,144	-	-	37,144
Capital outlay	167,491	-	323,746	491,237
Interest expense	47,821	5,081	-	52,902
Debt service	65,576	-	-	65,576
Other	22,777	-	26,952	49,729
<b>Total expenditures</b>	<u>3,206,317</u>	<u>5,081</u>	<u>350,698</u>	<u>3,562,096</u>
Excess (deficiency) of revenues over expenditures	<u>246,698</u>	<u>1,635</u>	<u>(161,801)</u>	<u>86,532</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,635	-	-	1,635
Transfers (out)	-	(1,635)	-	(1,635)
<b>Total other financing sources (uses)</b>	<u>1,635</u>	<u>(1,635)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues/sources over (under) expenditures/uses	<u>248,333</u>	<u>(0)</u>	<u>(161,801)</u>	<u>86,532</u>
Fund balance at beginning of year	<u>1,031,551</u>	<u>-</u>	<u>475,172</u>	<u>1,506,723</u>
Fund balance at end of year	<u>\$ 1,279,884</u>	<u>\$ (0)</u>	<u>\$ 313,371</u>	<u>\$ 1,593,255</u>

The notes to the financial statements are an integral part of this statement.

**WEBER FIRE DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances – Governmental Funds To the Statement of Activities**  
**For the Year Ended December 31, 2005**

**Net Change in Fund Balances - Total Governmental Funds.....** \$ 86,532

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts were as follows:

Capital outlay.....	\$ 452,285	
Depreciation expense.....	(203,429)	248,856

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts were as follows:

Capital lease principal payments.....	65,576	65,576

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds. These activities consist of the following:

Increase in compensated absences.....	(18,610)	(18,610)

<b>Change in Net Assets of Governmental Activities.....</b>		<b>\$ 382,354</b>

The notes to the financial statements are an integral part of this statement.

**WEBER FIRE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2005

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Weber Fire District conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The District has adopted the provisions of the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

The following is a summary of the more significant policies and is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

**A. Reporting Entity**

The Weber Fire District was created on July 1, 1982 as a political subdivision under the laws of the State of Utah. The District operates under the management of a board of directors and provides the following services: fire operations and fire administrative services.

The criteria set forth by generally accepted accounting principles (GAAP) was used to determine which entities to include in this report. GASB Concepts Statement-1 (Objectives of Financial Reporting) concludes that the basic foundation for governmental financial reporting is accountability. The Concepts Statement asserts that accountability requires governments to answer to the citizenry - to justify the raising of public resources and the purposes for which they are used. In turn, the concept of accountability becomes the basis for defining the financial reporting entity. Under GASB-14 (The Financial Reporting Entity) the financial reporting entity consists of the following:

- A. The primary government
- B. Organizations for which the primary government is financially accountable
- C. Other organizations that, because of the nature and significance of their relationship with the primary government, exclusion from the reporting entity would render the financial statements misleading or incomplete

Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The District has no component units.

**B. Government-wide And Fund Financial Statements**

The District's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the District as a whole, while the fund statements focus on individual funds.

***Government-wide Financial Statements***

The government-wide statements present information on all non-fiduciary activities of the primary government. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The *Statement of Net Assets* presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The District does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

***Fund Financial Statements***

The financial transactions of the District are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting

**WEBER FIRE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2005

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**NOTE 1. (Continued)**

is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A statement is provided for *governmental funds*. For governmental and proprietary funds, the emphasis is on *major funds*, with each displayed in a separate column. The District does not have proprietary funds.

The District reports the following major governmental funds:

- **General Fund** - This fund is the principal operating fund of the District. It is used to account for all financial resources not required to be accounted for in another fund.
- **Capital Projects Fund** - This fund accounts for financial resources to be used for the construction of major capital projects.
- **Debt Service Fund** - This fund accounts for the accumulation of resources for payment of principal, interest, and related costs of a prior General Obligation Bond.

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

**D. Assets, Liabilities, and Fund Balances/Net Assets**

The following are the District's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

***Pooled Cash and Temporary Investments***

Unrestricted and restricted cash balances of both funds are combined to form a pool of cash which is managed by the Fire District Chief. Utah State Statutes allow for investments in the Utah Public Treasurer's Investment Fund and Utah Money Management Act (UMMA) approved financial institutions. The UMMA provides for a committee to evaluate financial institutions and provide a list of those qualified as depositories for public funds, including the amount they are authorized to maintain over and above insured amounts. The District Chief invests unrestricted and restricted cash with the Utah Public Treasurer's Investment Fund and with local financial institutions. Investments in the pooled cash fund consist primarily of certificates of deposit, repurchase agreements, and time deposits and are carried at cost which approximates market value. Interest income earned as a result of pooling is distributed to the appropriate funds based on month end balances of cash. The District considers all highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

***Inventories***

No significant inventories are maintained by the District; therefore none are reflected in these statements.

***Restricted Assets***

Certain resources set aside as reserves in accordance with board resolutions and State statutes are classified as restricted assets on the balance sheet because their use is limited.

***Capital Assets***

General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds. Capital assets are reported in the governmental column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. Donated fixed assets are valued at their estimated

**WEBER FIRE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2005

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**NOTE 1. (Continued)**

fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Infrastructure capital assets which are newly constructed are capitalized. The District currently has no infrastructure assets recorded.

Capital assets are depreciated. Depreciation of buildings, improvements, infrastructure, and equipment is computed using the straight-line method.

Depreciation of all exhaustible capital assets is charged as an expense in the related program. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings.....	20 years
Improvements.....	20 years
Equipment.....	5-15 years

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation leave is recorded as an expenditure when used in governmental funds and as an expense in the government-wide statements. A liability for unused vacation is recorded in the government-wide Statement of Net Assets.

**Long-term Obligations**

In the government-wide statements, long-term debt obligations are reported as liabilities.

The face amount of debt issued is reported as other financing sources in the governmental fund financial statements.

**Net Assets/Fund Balances**

The difference between assets and liabilities is *net assets* on the government-wide statements, and *fund balance* on the governmental fund statements.

In the governmental fund statements, fund balances are

classified as reserved or unreserved. Reserves represent those portions of fund balance that are not available for expenditures or are legally segregated for a specific future use. Unreserved fund balances are available for future appropriation, though some portions may be designated to represent management's tentative plans for specific future uses.

**E. Revenues and Expenditures**

The following are the District's significant policies related to recognition and reporting of certain revenues, expenditures, and interfund activity.

**Revenue Availability**

Under the modified accrual basis of accounting, revenues are considered to be "available" when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Weber Fire District considers property tax revenues to be available if they are collected within 60 days after the end of the current year. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues, are considered to be available if they are collected within 60 days after year-end.

**Expenditure Recognition**

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District generally uses restricted resources first, then unrestricted resources.

**F. Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at the fiscal year end. Project-length financial plans are adopted for capital projects funds.

**WEBER FIRE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2005

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**NOTE 1. (Continued)**

Summary of the District Budget Procedures and Calendar

1. The District Board can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance.
2. Budgets are required by the State of Utah for the General, Debt Service, and Capital Project Funds.
3. Each year the District publishes a separate budget document prepared according to this legal level of control.
4. The District's budget is a Financial Plan of all estimated revenues and all appropriations for expenditures. Revenues and Expenditures must balance for the funds required by the State Code as indicated in item 2 above.
5. A tentative budget is presented by the Board by the first regularly scheduled board meeting in November. The tentative budget is reviewed and tentatively adopted by the Board at that time.
6. The tentative budget is a public record and is available for inspection at the District offices for at least ten days prior to adoption of the final budget.
7. Notice of public hearing on adoption of the final budget is published seven days prior to the public hearing.
8. The public hearing on the tentatively adopted budget is held prior to the adoption of the final budget. Final adjustments are made to the tentative budget by the Board after the public hearing.
9. Occasionally the Board will exercise their option to open the budget to indicate additional financing sources that become available.
10. The final budget is adopted by ordinance before December 31 and a copy of the budget certified by the Budget Officer is filed with the State Auditor within thirty days of adoption.
11. In connection with budget adoption:

- a. An annual tax ordinance establishing the property tax rate is adopted before June 22.
- b. The Board is to certify the property tax rate to the County Auditor before June 22.

12. Budgets for the General, Debt Service, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**Summary of Action Required for Budget Changes:**

The Board may, by resolution, transfer unexpended appropriations from one department to another department within the same fund. The budget appropriation for any department may be reduced by resolution.

Fund budgets may be increased by resolution after a public hearing.

**Current Year Excess of Expenditures Over Appropriations:**

For the year ended December 31, 2005, expenditures exceeded appropriations in the General Fund by \$45,548.

**NOTE 2. DEPOSITS AND INVESTMENTS**

Deposits and investments for Weber Fire District are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the Districts exposure to various risks related to its cash management activities.

**A. Custodial Credit Risk**

*Deposits.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of District funds to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

**WEBER FIRE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2005

**NOTE 2. (Continued)**

The District's deposits in the bank in excess of the insured amount are uninsured and are not collateralized. State statutes do not require them to be collateralized. The District's deposits at December 31, 2005 were \$385,604, \$100,000 of which were insured, the remaining \$285,604 were uninsured.

*Investments.* Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a formal policy for custodial credit risk of investments.

**B. Credit Risk**

Credit risk is the risk that the counterparty to an investment transaction will not fulfill its obligations. The District's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poors; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations; and shares in a money market fund as defined in the Act.

The District is also authorized to invest in the Utah Public Treasurer's Investment Fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on

an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares. Following are the District's investments at December 31, 2005.

Investment Type	Fair Value	Maturity	Quality Ratings
PTIF Investments	<u>\$ 1,139,688</u>	59 days*	not rated
Total	<u>\$ 1,139,688</u>		

\*Weighted-average maturity

**C. Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. Maturities of the District's investments are noted in the previous table.

**D. Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy to limit this risk is to adhere to the rules of the Money Management Council and to invest most of its available funds in the PTIF.

**WEBER FIRE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2005

**NOTE 3. CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2005 was as follows:

	Balance <u>Dec. 31, 2004</u>	<u>Additions</u>	<u>(Deletions)</u>	Balance <u>Dec. 31, 2005</u>
Land	\$ 317,573	\$ 246,152	\$ ----	\$ 563,725
Building	1,109,641	26,952	----	1,136,593
Improvement other than Building	283,741	----	----	283,741
Equipment	77,720	----	----	77,720
Vehicles	1,778,585	179,182	25,000	1,932,767
<b>Total</b>	<u>\$ 3,567,260</u>	<u>\$ 452,286</u>	<u>\$ 25,000</u>	<u>\$ 3,994,546</u>
Less: Accumulated Depreciation for				
Buildings and Improvements	687,091	62,569	----	749,660
Vehicles and Equipment	1,115,755	140,860	25,000	1,231,615
<b>Total</b>	<u>\$ 1,802,846</u>	<u>203,429</u>	<u>25,000</u>	<u>1,981,275</u>
<b>Total Government Activities Assets, Net</b>	<u>\$ 1,764,414</u>	<u>\$ 248,857</u>	<u>\$ ----</u>	<u>\$ 2,013,271</u>

Depreciation expense of governmental activities was charged to functions as follows:

General Administration.....	\$ 3,934
Operations.....	199,495
<b>Total.....</b>	<u>\$ 203,429</u>

**NOTE 4. LEASE COMMITMENTS**

The District has two capital leases related to vehicle purchases. Leases that in substance are purchases are reported as capital lease obligations. In the government-wide statements, assets and liabilities resulting from capital leases are recorded at the inception of the lease at either the lower of fair value or the present value of the future minimum lease payments. The principal portion of lease payments reduces the liability and the interest portion is expensed. In government fund statements, both the principal and interest portions of capital lease payments

are recorded as expenditures. Total capital lease payments for 2005 were \$65,575 in principal and \$7,265 in interest.

Operating leases are leases for which the District will not gain title to the property being leased. Therefore the related assets and liabilities are not recorded on the financial statements. The District currently has no operating leases.

Future minimum lease payments for capital leases as of December 31, 2005 are as follows:

**WEBER FIRE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2005

**NOTE 4. (Continued)**

Year	Amount
2006	29,441
2007	29,441
2008	29,440
Total	88,322
Less: Amount representing Interest	7,922
Present Value of Future Minimum Lease Payments	\$ 80,400

**NOTE 5. SHORT-TERM DEBT**

On January 4, 2005 Weber Fire District issued \$1,395,000 of tax anticipation notes at 2.75% interest. This short-term borrowing was necessary to meet operating needs prior to collection of property taxes. Total interest paid on these notes was \$37,936, and total principal and interest on the notes was paid in full by December 31, 2005.

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Short-term Borrowing:</b>				
Tax Anticipation Notes	\$ -	\$ 1,395,000	\$ (1,395,000)	\$ -

**NOTE 6. LONG-TERM DEBT**

The changes in long-term debt are as follows:

	Interest Rate	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005 Outstanding	Current Portion
Capital Leases	4.85%	145,976	-	65,576	80,400	25,541
Compensated Absences	-	129,965	128,478	109,868	148,575	-
Total Long-term Debt		\$ 275,941	\$ 128,478	\$ 175,444	\$ 228,975	\$ 25,541

**NOTE 7. RISK MANAGEMENT**

Weber Fire District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District maintains comprehensive insurance coverage in aggregate amounts sufficient to protect against all reasonably foreseeable liability risks. Specific liability

policies purchased include vehicle, general liability, property bond (employee dishonesty), treasurer, and officers, excess liability, and workman's compensation. As of December 31 2005, there is no anticipation of unpaid claims. Therefore, a liability is not accrued. Settlement amounts have not exceeded coverage for the current year or the three prior years.

**WEBER FIRE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2005

**NOTE 8. RETIREMENT PLANS**

**A. Pension Plans**

Weber Fire District contributes to the Local Government Noncontributory Retirement System which is a cost-sharing multiple-employer defined benefit pension plan. The System is administered by Utah Retirement Systems (URS) under the direction of the URS Board, which consists of the State Treasurer and six members appointed by the governor. URS is established under and governed by Title 49 of *Utah Code Annotated*, 1953, as amended (UCA). URS publishes an annual financial report that includes financial statements and required supplementary information for all retirement systems and deferred compensation plans administered by it. Copies of the report may be obtained by writing to Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102; by calling 1-800-365-8772; or by visiting [www.urs.org](http://www.urs.org).

Retirement benefits, as specified by UCA Title 49, cover substantially all employees of the State, public education, and other political subdivisions of the State. Only the State Legislature can modify benefits. The Systems provide pension, death, and disability benefits for employees who meet all eligibility requirements. Employees are eligible for retirement benefits upon attainment of the age specified for their employment classification or a combination of age plus years of service. A brief summary of eligibility, benefits, and contribution rates of the Systems is provided in the table below.

Expenditures for retirement costs are recorded in the District's funds as contributions are made to the Systems. Contributions made each year were equal to the contributions required by the District's contract with URS. Therefore, the District has no liability for pension obligations.

	<u>Contributory System</u>	<u>Firefighters System Division B</u>
Highest Average Salary.....	Highest 5 Years	Highest 3 Years
Years of Service and Age of Eligibility.....	30 years any age 20 years age 60(a) 10 years age 62(a) 4 years age 65	20 years any age 10 years age 60 4 years age 65
Benefit Percent per Year of Service.....	1.10% to 1967 1.25% to 1975 2.00% thereafter	2.50% per year up to 20 years 2.00% per year over 20 years Benefit cannot exceed 70% of final average salary
Annual Cost of Living Adjustment.....	up to 4.00%	up to 2.50%
2005 Rates as Percent of Covered Payroll:		
Employer.....	7.08%	---
Member.....	6.00%(b)	7.83%(b)
Local Governmental System - Noncontributory		
Actual District Contributions Made, by year - Employer:		
2005.....	\$ 4,475	\$ 129,495
2004.....	3,718	112,535
2003.....	3,631	107,202
Salary Subject to Retirement Contributions:		
2005.....	\$ 34,213	\$1,653,832
2004.....	30,095	1,437,233
2003.....	32,512	1,369,118

- (a) Requires full actuarial reduction  
(b) All or part may be paid by the District for the employee

**WEBER FIRE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2005

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**NOTE 8. (Continued)**

**B. Deferred Compensation Plans**

The District participates in a 401(k) Plan and a 457 Plan (collectively, the Plans), both of which are defined contribution plans administered by URS. The plans are in addition to the retirement benefits outlined above. Voluntary contributions may be made to the Plans subject to URS and Internal Revenue Service limitations. The District contributes to the 401(k) Plan and employees may contribute to both Plans up to the maximum percentage allowed by IRS regulations.

Account balances of the Plans are fully vested to the participants at the time of deposit. All assets and income of the Plans are held by URS for the exclusive benefit of the participants or their beneficiaries.

For the year ended December 31, 2005, the District contributed \$20,909 and \$8,336 for the 457 plan and 401(k) plan, respectively.

**NOTE 9. SUBSEQUENT EVENTS**

The District has issued general obligation bonds in the amount of \$6,000,000 to construct a new fire administration building. Construction will begin later in 2006. The District also purchased a fire truck in 2006, under a capital lease agreement in the amount of \$223,351.

Tax Anticipation Notes in the amount of \$1,600,000 were issued on January 11, 2006, to fund current operating expenditures for that year, prior to collection of property taxes.

**WEBER FIRE DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005  
GENERAL FUND**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 2,860,409	\$ 2,885,409	\$ 3,079,775	\$ 194,366
Paramedic contract	-	-	-	-
Fees-Wildland	151,160	151,160	142,313	(8,847)
Fees-other	13,000	13,000	7,172	(5,828)
Grants	122,000	15,000	129,804	114,804
Interest	30,000	30,000	54,242	24,242
Other income	66,200	66,200	35,709	(30,491)
Sale of fixed assets	-	-	4,000	4,000
<b>Total revenues</b>	<b>3,242,769</b>	<b>3,160,769</b>	<b>3,453,015</b>	<b>292,246</b>
<b>EXPENDITURES:</b>				
Salaries and wages	1,913,920	1,943,920	1,970,799	(26,879)
Employee benefits	500,198	498,198	458,014	40,184
Training and travel	23,500	23,500	16,730	6,770
Office expense	25,000	20,000	20,068	(68)
Equipment maintenance	63,500	68,500	72,617	(4,117)
Buildings and grounds	82,000	88,500	79,712	8,788
Special supplies	30,000	30,000	26,257	3,743
Wildland fire	10,000	10,000	11,773	(1,773)
Insurance	62,000	62,000	65,080	(3,080)
Board fees and expenses	6,000	6,000	11,095	(5,095)
Fuel	33,000	40,000	37,988	2,012
Professional fees	27,000	38,000	26,364	11,636
Dispatch and radio	66,500	66,500	69,011	(2,511)
Safety, fire prevention and hazmat	132,000	25,000	37,144	(12,144)
Bad debt	-	-	-	-
Capital outlay	124,175	94,175	167,491	(73,316)
Interest expense	59,400	59,400	47,821	11,579
Debt service	65,576	65,576	65,576	0
Other	19,000	21,500	22,777	(1,277)
<b>Total expenditures</b>	<b>3,242,769</b>	<b>3,160,769</b>	<b>3,206,317</b>	<b>(45,548)</b>
Excess (deficiency) of revenues over expenditures	-	-	246,698	246,698
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	-	-	1,635	1,635
Operating Transfers (Out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,635</b>	<b>1,635</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	248,333	248,333
Fund balance at beginning of year	1,031,551	1,031,551	1,031,551	-
Fund balance at end of year	\$ 1,031,551	\$ 1,031,551	\$ 1,279,884	\$ 248,333

The notes to the financial statements are an integral part of this statement.



Steven F. Crane, CPA  
Kent R. Christensen, CPA  
Jeffrey L. Ambrose, CPA  
Chuck Palmer, CPA

Independent Auditors' Legal Compliance Report

Board of Directors  
Weber Fire District  
Ogden, Utah

We have audited the financial statements of the Weber Fire District for the year ended December 31, 2005, and have issued our report thereon dated June 16, 2006. As part of our audit, we have audited Weber Fire District's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local Governments in Utah including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation and Property Tax Limitations  
Other Compliance Requirements  
Special Districts General Compliance

The District received the following non-major grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of Weber Fire District's financial statements.)

**EMS Grant (Utah Division of Public Safety)**

The management of Weber Fire District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed an instance of noncompliance with the requirements referred to above, which is described in the accompanying Schedule of Findings and Questioned Costs. We considered this instance of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, except for the instance of noncompliance mentioned above, Weber Fire District complied, in all material respects, with the general compliance requirements identified above for the year ended December 31, 2005.

*Crane, Christensen + Ambrose*

June 16, 2006

298 24th Street, Suite 300 • Ogden, Utah 84401 • Telephone (801) 627-2060 FAX 627-2182  
Member Division of CPA Firms, American Institute of Certified Public Accountants

WEBER FIRE DISTRICT

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2005

**PROGRAM: BUDGETARY COMPLIANCE**

FINDING:	The expenditures in the General Fund were over budgeted.
QUESTIONED COSTS:	None
RECOMMENDATION:	None
DISTRICT'S REPLY:	Corrections have been made to procedures to prevent this type of finding in the future.

Report on Compliance and on Internal Control over Financial  
Reporting Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards

Board of Directors  
Weber Fire District  
Ogden, Utah

We have audited the financial statements of Weber Fire District as of and for the year ended December 31, 2005, and have issued our report thereon dated June 16, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Weber Fire District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government auditing Standards.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Weber Fire District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management, Fire Chief, Board of Directors and oversight awarding agencies. However, this report is a matter of public record and its distribution is not limited.

*Crane, Christensen + Ambrose*

June 16, 2006